MONTANA LEGISLATIVE HISTORY

Chapter 71 1997

Bill H _____ S 9 Original bill & history ✓ C

| H. Committee on Transportation | | S. Committee on Bus. Ind. Labor | |
|---|---|---|---|
| Hearing Date(s) _____ | ___C | Hearing Date(s) _____ | ___C |
| 2/5 | ✓ C | 1/7 | ✓ C |
| _____ | ___C | _____ | ___C |
| _____ | ___C | _____ | ___C |
| Date Out 2/7 | ✓ C | 1/13 | ✓ |

Did this bill originate in an interim committee? ___Yes ___No

Committee _____ Report _____

SENATE BILL NO. 9

INTRODUCED BY HOLDEN

A BILL FOR AN ACT ENTITLED: "AN ACT MODIFYING WHEN REPLACEMENT VALUE IS USED AS A MEASURE OF DAMAGES FOR A MOTOR VEHICLE; REQUIRING MOTOR VEHICLE INSURANCE POLICIES TO ALLOW FOR THE USE OF BOOK VALUE AS A MEASURE OF DAMAGES; AMENDING SECTIONS 27-1-306 AND 33-23-202, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 27-1-306, MCA, is amended to read:

"**27-1-306. When replacement value to be allowed.** The measure of damages in a case in which the cost of repairing a motor vehicle exceeds its value ~~shall be~~ is the actual replacement value of the motor vehicle rather than its ~~"book value"~~ "book" value unless the parties agree to use the "book" value. Actual replacement value is the actual cash value of the motor vehicle immediately prior to the damage. "Book" value may be used to assist in determining the actual replacement value of the motor vehicle."

**Section 2.** Section 33-23-202, MCA, is amended to read:

"**33-23-202. Reimbursement for total loss of motor vehicle based on "book" value or actual replacement value.** Each motor vehicle insurance policy issued to residents of this state ~~which provides~~ must provide that reimbursement for total loss of a motor vehicle ~~must~~ be based on a "book" value if agreed to by the parties ~~rather than~~ or on the actual replacement value if the parties do not agree to use the "book" value ~~is void as to such provision, and reimbursement must be made for actual replacement value~~."

NEW SECTION. **Section 3. Applicability.** The amendments in [section 2] apply to motor vehicle insurance policies issued or renewed after [the effective date of this act].

-END-

| | | | |
|---|---|---|---|
| 3/17 | TRANSMITTED TO GOVERNOR | | |
| 3/20 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 120 | | |
| | EFFECTIVE DATE: 07/01/97 | | |

SB 8 INTRODUCED BY HARGROVE *LC0087 DRAFTER: STERNBERG*

INCLUDE EPHEDRINE IN THE SCHEDULE IV LIST OF DANGEROUS DRUGS

BY REQUEST OF JOINT OVERSIGHT COMMITTEE ON CHILDREN & FAMILIES

| | | | |
|---|---|---|---|
| 12/16 | INTRODUCED | | |
| 12/27 | REFERRED TO PUBLIC HEALTH, WELFARE & SAFETY | | |
| 1/06 | FIRST READING | | |
| 1/10 | HEARING | | |
| 1/17 | FISCAL NOTE REQUESTED | | |
| 1/22 | FISCAL NOTE RECEIVED | | |
| 1/23 | FISCAL NOTE PRINTED | | |
| 1/27 | COMMITTEE REPORT—BILL PASSED AS AMENDED | | |
| 1/29 | 2ND READING PASSED | 32 | 16 |
| 1/30 | 3RD READING PASSED | 34 | 14 |
| | TRANSMITTED TO HOUSE | | |
| 1/31 | FIRST READING | | |
| 1/31 | REFERRED TO HUMAN SERVICES & AGING | | |
| 2/12 | HEARING | | |
| 2/13 | COMMITTEE REPORT—BILL CONCURRED | | |
| 3/04 | 2ND READING CONCURRED | 94 | 6 |
| 3/05 | 3RD READING CONCURRED | 92 | 7 |
| | RETURNED TO SENATE | | |
| 3/07 | SIGNED BY PRESIDENT | | |
| 3/09 | SIGNED BY SPEAKER | | |
| 3/10 | TRANSMITTED TO GOVERNOR | | |
| 3/19 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 103 | | |
| | EFFECTIVE DATE: 10/01/97 | | |

SB 9 INTRODUCED BY HOLDEN *LC0090 DRAFTER: CAMPBELL*

MODIFY WHEN REPLACEMENT VALUE IS USED AS A MEASURE OF DAMAGES FOR A MOTOR VEHICLE

| | | | |
|---|---|---|---|
| 12/16 | INTRODUCED | | |
| 12/27 | REFERRED TO BUSINESS & INDUSTRY | | |
| 1/06 | FIRST READING | | |
| 1/07 | HEARING | | |
| 1/13 | COMMITTEE REPORT—BILL PASSED AS AMENDED | | |
| 1/14 | 2ND READING PASSED | 49 | 1 |
| 1/15 | 3RD READING PASSED | 46 | 3 |
| | TRANSMITTED TO HOUSE | | |
| 1/16 | FIRST READING | | |
| 1/16 | REFERRED TO TRANSPORTATION | | |
| 2/05 | HEARING | | |
| 2/07 | COMMITTEE REPORT—BILL CONCURRED | | |
| 3/04 | 2ND READING CONCURRED | 91 | 7 |
| 3/05 | 3RD READING CONCURRED | 91 | 9 |
| | RETURNED TO SENATE | | |
| 3/07 | SIGNED BY PRESIDENT | | |
| 3/09 | SIGNED BY SPEAKER | | |
| 3/10 | TRANSMITTED TO GOVERNOR | | |
| 3/17 | SIGNED BY GOVERNOR | | |
| | CHAPTER NUMBER 71 | | |
| | EFFECTIVE DATE: 10/01/97 | | |

# SENATE BUSINESS & INDUSTRY



| BILL NO | REFERRED | HEARING | OTHER CONSIDERATION DATES | EXECUTIVE ACTION/DATE/VOTE | REREFERRED | DATE READ |
|---|---|---|---|---|---|---|
| HB0492 | HARPER, HAL<br>2/19 | 3/18 | PROHIBIT LIQUOR LICENSE IN 600 FT. RADIUS OF SCHOOL, CHURCH | CONCUR 03/19 VOTE: 6-0 | | 3/21 |
| HB0533 | DEVANEY, CHARLES<br>3/04 | 3/19 | EXEMPT CERTAIN TYPES OF ACTIVITIES FROM REAL ESTATE LICENSURE REQUIREMENTS | CONCUR 03/19 VOTE: 6-0 | | 3/21 |
| HB0541 | GRIMES, DUANE<br>3/04 | 3/20 | REVISE AND CLARIFY CREDIT GAMBLING LAWS | CONCUR 03/25 VOTE: 6-0 | | 3/26 |
| HB0543 | SCHMIDT, TRUDI<br>3/04 | 3/20 | PROHIBIT INSURANCE COMPANY FROM REQUIRING USE OF SPECIFIC AUTO BODY SHOP | CONCUR 03/25 VOTE: 4-2 | | 3/26 |
| HB0598 | TREXLER, CLIFF<br>4/02 | 4/07 | FUND COMPLIANCE POSITIONS AND ALLOW FLEXIBLE RENEWALS FOR CERTAIN LICENSES | CONCUR 04/07 VOTE: 4-2 | | 4/07 |
| HB0604 | HARPER, HAL<br>4/07 | 4/10 | AUTHORIZE HOME BREWING THAT MEETS FED LAW REQUIREMENTS; EQUIPMENT CLASSIFIED | CONCUR 04/10 VOTE: 6-0 | | 4/10 |
| HJ0003 | DEBRUYCKER, ROGER<br>1/21 | 2/07 | RESOLUTION TO URGE CONGRESS TO STUDY HIGH PRESCRIPTION DRUG PRICES | CONCUR 02/11 VOTE: 6-0 | | 2/12 |
| SB0009 | HOLDEN, RIC<br>01/06 | 1/07 | ALLOW USE OF BOOK VALUE AS MEASURE OF DAMAGES FOR MOTOR VEHICLES | PASS AS AMENDED 01/10 VOTE: 6-0 | | 1/13 |
| SB0017 | WATERMAN, MIGNON<br>01/06 | 1/10 | SENIOR INSURANCE AND SECURITIES FRAUD PREVENTION AND REPORTING PROGRAM | TABLED ON 01/22 VOTE: 6-0 | | |
| SB0039 | NELSON, LINDA<br>1/06 | 1/10 | REVISE FARM MUTUAL INSURANCE LAW<br>01/22 | PASS AS AMENDED 02/17 VOTE: 6-0 | | 2/18 |
| SB0044 | HOLDEN, RIC<br>1/06 | | LIMIT MOTOR VEHICLE LIABILITY INSURER'S LIABILITY UNDER THE POLICY<br>REMOVED | VOTE: | JUDICIARY | |
| SB0056 | LYNCH, J. D.<br>1/06 | 1/14 | CREATE PERPETUALLY MAINTAINED CEMETERY ACT FOR PRIVATE FOR-PROFIT CEMETERIES | PASS AS AMENDED 01/22 VOTE: 6-0 | | 1/23 |

# MINUTES

## MONTANA SENATE
## 55th LEGISLATURE - REGULAR SESSION

## COMMITTEE ON BUSINESS & INDUSTRY

**Call to Order:** By **CHAIRMAN JOHN HERTEL**, on January 7, 1997, at 10:00 A.M., in Room 410.

### ROLL CALL

**Members Present:**
Sen. John R. Hertel, Chairman (R)
Sen. Steve Benedict, Vice Chairman (R)
Sen. Debbie Bowman Shea (D)
Sen. William S. Crismore (R)
Sen. C.A. Casey Emerson (R)
Sen. Bea McCarthy (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Bart Campbell, Legislative Services Division
Mary Gay Wells, Committee Secretary

**Committee Business Summary:**
Hearing(s) & Date(s) Posted: SB 9; Posted 1-6-97
Executive Action: None

### HEARING ON SB 9

Sponsor: **SENATOR RIC HOLDEN, SD 1, Glendive.**

Proponents: **RON ASHABRANER, State Farm Representative**
**WARD SHANAHAN, Farmers Insurance Representative**
**FRANK COTE, Deputy Insurance Commissioner**
**STEVE TURKIEWICZ, MT Auto Dealers Association**

Opponents: **RUSSELL HILL, MT Trial Lawyers Association**

Opening Statement by Sponsor:

**SEN. STEVE BENEDICT, SD 20, Hamilton**, presented SB 9 for **SEN. RICK HOLDEN.** This is a bill for an act entitled: "AN ACT MODIFYING WHEN REPLACEMENT VALUE IS USED AS A MEASURE OF DAMAGES

FOR A MOTOR VEHICLE; REQUIRING MOTOR VEHICLE INSURANCE POLICIES TO ALLOW FOR THE USE OF BOOK VALUE AS A MEASURE OF DAMAGES; AMENDING SECTIONS 27-1-306 AND 33-23-202, MCA; AND PROVIDING AN APPLICABILITY DATE." The basic intent of the bill is when the measurement of cost of repairing the motor vehicle exceeds its value is the actual replacement value of the motor vehicle rather than its book value unless the parties agree to use the book value.

{Tape: 1, Side: A; Approx. 2 min; Comments: None.}

**Proponents' Testimony:**

**Ron Ashabraner, State Farm Insurance Representative.** State Farm insures approximately 1/3 of the insured automobiles in the State of Montana. We would support SB 9 for the following reasons: For several years because of current statues, when a claim representing this process of attempting to settle a claim, the insurance company is barred from mentioning book value. Under normal circumstances when you settle a total loss, you call car dealers, do comparables, etc. Occasionally you don't find that vehicle. Figures are not available. Prior to the current language you could show the client the book value of their car and would they be interested in accepting this value. It is a negotiating position because they may come back and say no I don't want the $1300 book value I would like $1350. Currently, we can't even talk about book value. This is unique because credit unions do, banks do, anyone in the loan business uses book value. This does not mean that the person has to use this value as a settlement for his car but it does have some relativity when you talk about the value of an automobile or truck. In the rural areas, it has created a significant problem because there may be only one car dealer. This does not relieve the company of finding comparable values. But when all other avenues have been exhausted you have the opportunity to say the book value is such and such. This bill does not prohibit claims people from revealing what the book value is and use this figure as a offer. It does not mean that that is the value of the vehicle or that the person has to accept it. Thank you for your time.

**Ward Shanahan, Helena Lawyer, Representing Farmers Insurance Group.** We support the bill. The bill could be made more specific by defining what book value is. An amendment could describe book value as the National Auto Dealers Association Blue Book, which is the book we are talking about. Otherwise there may be some confusion as to which book. As in rural areas, where there may not be many choices, at least this would give a place to start negotiating. The insured still have the right to come in with other testimony as to what the vehicle is worth. Thank you.

**Frank Cote, Deputy Insurance Commissioner.** We support the concept of this bill but we have some concerns that I think can be addressed with some amendments. One concern has been

mentioned by Mr. Shanahan. There isn't anything that defines what actually is book value. The other concern is the way the bill is currently drafted; insurance carriers could put in their contract that the client would agree to use the book value and then the client would have no choice at the time of loss. We would suggest that the agreement happen at the time of loss or the time of the claim so that the insured can say I agree or I want to have the market analysis done. Thank you.

**Steve Turkiewicz, Executive Vice President of MT Auto Dealers Association.** In clarification, I would like to point out that there is the National Automobile Dealers Association Used Car Guide. Blue Book is a separate book by Kelly. Next, the State of Montana uses book value for the appraisal of motor vehicles for purposes of taxation. You may find that in Title 613-503, Sub C and it states the use of the National Automobile Dealers Official Used Car Guide, the NADA Appraisal Guide, The Official Older Used Car Guide and other nationally published used vehicle or appraisal guides. This is not without precedence. Perhaps with the amendments suggested by Mr. Cote this would offer all parties a point at which negotiation could begin. When one of our dealers is called for appraisals, the dealer goes to the NADA Used Car Guide and looks up the value of that particular vehicle.

{Tape 1; Side: A; Approx. 10-14 min; Comments: None.}

**Opponents' Testimony:**

**Russell B. Hill, Executive Director of Montana Trial Lawyers Association.** I do feel that it can be amended. At this point we are in opposition to the bill as it is now written.
See **(EXHIBIT 1)**

**Questions From Committee Members and Responses:**

{Tape 1; Side A; Approx. 15 min; Comments: None.}

**SEN. BENEDICT** asked **Frank Cote** to address some of Mr. Russell Hill's concerns. **SEN. BENEDICT'S** understanding is that the consumer is protected from coercion by the insurance company by the language that says "unless the parties agree to the book value" and then down on lines 21 and 22 "if agreed to by the parties or on the actual replacement value if the parties do not agree to use the 'book' value." **Mr. Cote** replied without the amendments which I proposed where the agreement happens at the time of the loss, the insurance carrier could place a clause in their contract that says: You agree to accept book value anytime there is a loss. If that were to happen they would not have the option to disagree with the book value. I spoke with the bill's sponsor about this yesterday and he also agreed that he was not trying to create that problem.

{Tape 1; Side A; Counter: 17 min; Comments: None}

**Closing by Sponsor:**

**SEN. BENEDICT** closed for **SEN. HOLDEN** on the bill asking for thoughtful consideration.

**CHAIRMAN HERTEL** asked **Bart Campbell, Legislative Council**, if he felt he had the necessary information to make the changes that were expressed in the testimony by the proponents. Mr. Campbell replied yes, but he was not sure that any amendments were necessary. He would await further action by the committee.

**Closing by Sponsor:**

**SEN. WATERMAN** closed with a recapture of the bill. She stated that we have a classic situation here of senior citizens believing that they are not adequately protected by the law. That is why I brought this bill forward. They believe this bill defines senior fraud and consolidates it into one section. I would point out that two years ago, as you have heard, we clarified that it was a felony for a consumer to commit fraud against an insurance company and the industry came in and supported that. This bill makes it very clear that it is also fraud to defraud senior citizens of their life savings. These senior citizens ask that you give this bill a Do Pass. Thank you.

## EXECUTIVE ACTION ON SB 9

{Tape 2; Side A; Approx. 11:00 a.m.; Comments: None}

**Motion:**

**SEN. BENEDICT** moved a Do Pass on SB 9.

**AMENDMENT:**

**Mr. Bart Campbell** presented two versions of an amendment coordinated by **SEN. RIC HOLDEN** for the 1st version **EXHIBIT 4** and coordinated by **Mr. Frank Cote** for the 2nd version **EXHIBIT 5.** Copies were passed to the committee members.

**Discussion on Amendment:**

**Mr. Campbell** explained the difference between the two versions. **SEN. BEA MCCARTHY** said that this second version addressed her concerns that insurance companies would not be permitted to add a clause in the policy forcing the insured to accept book value. **SEN. BENEDICT** addressed a question to **Mr. Cote** asking that had these amendments been approved by the bill's sponsor. **Mr. Cote** replied that to his knowledge, Sen. Holden had not seen the 2nd version. But **SENATOR CRISMORE, SENATOR HERTEL and Mr. Cote** had a brief conversation with **SENATOR HOLDEN** two days ago and **Mr. Cote** felt that **SEN. HOLDEN** was trying to get at what this second version of the amendment does.

**Amendment Motion:**

**SEN. BENEDICT** moved that the second set of the amendment **EXHIBIT 5** be approved.

**Vote on Amendment**:

The motion to accept the second set of the amendment **CARRIED UNANIMOUSLY.**

**Vote**:

A vote was called for on the motion of **DO PASS SB 9 AS AMENDED.** The vote received a unanimous **DO PASS AS AMENDED.**

# HOUSE TRANSPORTATION

| BILL NO | REFERRED | HEARING | OTHER CONSIDERATION DATES | EXECUTIVE ACTION/DATE/VOTE | REREFERRED | DATE READ |
|---|---|---|---|---|---|---|
| HB0444 | WELLS, JACK<br>2/05 | 2/12 | REVISING THE MODEL YEAR OF CERTAIN VEHICLES SUBJECT TO FEES IN LIEU OF TAX | PASS AS AMENDED 02/17 VOTE: 16-0 | | 2/18 |
| HB0462 | STOVALL, JAY<br>2/06 | 2/14 | REPEAL MONTANA RETAIL MOTOR FUEL MARKETING ACT | TABLED ON 02/19 VOTE: 11-7 | | |
| HB0464 | WALTERS, ALLEN<br>2/06 | 2/17 | REVISE SALVAGE VEHICLE DEFINITIONS AND LAWS | DO PASS 02/17 VOTE: 11-6 | | 2/18 |
| HB0466 | BARNHART, BEVERLY<br>2/06 | 2/19 | ALLOW LOCAL GOVERNMENT TO SELECT ENGINEER FOR TRAFFIC STUDY | PASS AS AMENDED 02/19 VOTE: 16-2 | | 2/20 |
| HB0481 | SCHMIDT, TRUDI<br>2/07 | 2/17 | CAPITOL RESTORATION LICENSE PLATES AND ORIGINAL FOREIGN VEHICLE PLATES | TABLED ON 03/10 VOTE: 14-3 | | |
| HB0509 | ARNOTT, PEGGY<br>2/10 | 2/17 | STATUTORY LIEN FOR INSURED MOTORIST AGAINST UNINSURED MOTORIST | TABLED ON 02/19 VOTE: 10-8 | | |
| HB0526 | QUILICI, JOE<br>2/11 | 2/19 | WHIRLING DISEASE RESEARCH LICENSE PLATES | TABLED ON 03/10 VOTE: 13-4 | | |
| HB0530 | BRAINARD, MATT<br>2/12 | 2/19 | REGULATION OF BICYCLES OWNED BY PEOPLE OVER 16 YEARS OF AGE | TABLED ON 02/19 VOTE: 12-4 | | |
| HB0554 | SIMPKINS, DICK<br>2/14 | 2/19 | REPEAL SPECIAL MILITARY AUTO REGISTRATION FOR OUT-OF-STATE "RESIDENTS" | DO PASS 02/19 VOTE: 18-0 | | 2/20 |
| HB0610 | GRADY, ED<br>3/15 | 3/21 | DOT FUNDING STUDY COMMISSION | PASS AS AMENDED 03/24 VOTE: 10-6 | | |
| SB0009 | HOLDEN, RIC<br>1/16 | 2/05 | ALLOW USE OF BOOK VALUE AS MEASURE OF DAMAGES FOR MOTOR VEHICLES | CONCUR 02/05 VOTE: 15-3 | | 2/07 |
| SB0011 | FOSTER, MIKE<br>1/20 | 3/07 | REVISE DEPARTMENT OF TRANSPORTATION PROPERTY DISPOSITION REQUIREMENTS | TABLED ON 03/24 VOTE: 9-8 | | |

**Directors:**

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Director Emeritus
Elizabeth A. Best
L. Randall Bishop
Michael D. Cok
Mark S. Connell
Michael W. Cotter
Patricia O. Cotter
Karl J. Englund
Victor R. Halverson, Jr.
Gene R. Jarussi
Micheal F. Lamb
Peter M. Meloy
James P. Molloy
John M. Morrison
Gregory S. Munro
David R. Paoli

# Montana Trial Lawyers Association

Russell B. Hill, Executive Director
32 S. Ewing, Suite 312
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**Officers:**

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John M. Morrison
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Michael D. Cok
Vice President
Patricia O. Cotter
Secretary-Treasurer
William A. Rossbach
Governor
David R. Paoli
Governor

January 7, 1997

Sen. John Hertel, Chair
Senate Business and Industry Committee
Room 410, State Capitol
Helena, MT 59620

SENATE BUSINESS & INDUSTRY
EXHIBIT NO. 1
DATE 1-7-97
BILL NO. SB 9

**RE: SB 9**

Mr. Chair, Members of the Committee:

Thank you for this opportunity to express MTLA's concerns about SB 9, modifying the Montana laws governing the measurement of damage to insured vehicles.

Current Montana laws protect consumers from the enormous bargaining advantages of insurance companies. As drafted, SB 9 would weaken these consumer protections by:

- Increasing the leverage which insurance companies can use against policyholders. An insurance company already decides whether to repair or replace its customer's vehicle after an accident (i.e., whether a vehicle is a "total loss"). As drafted, SB 9 would allow the same insurance company to also decide how to value the damaged vehicle.
- Although SB 9 as drafted only allows an insurance company to measure vehicle damage by "book" value if the parties "agree" to do so, the bill fails to protect consumers from complicated one-sided "agreements" crafted by insurance companies. An insurance contract is itself an agreement, and SB 9 allows insurance companies to pick whichever measure of damage it likes. At the very least, SB 9 should specify that the "agreement" between an insurance company and its customer to apply "book" value must occur after the accident or claim.
- Since SB 9 replaces a single measure of vehicle damage with multiple

measures, and since disagreements over "book" value ("high book" vs. "low book") will still occur, the bill's potential to simplify claims and reduce administrative expenses may be illusory. If SB 9 aims only to simplify claims and reduce administrative expenses, why shouldn't it prescribe "book" value as the only measure of damages--even when a vehicle's "book" value exceeds its replacement value?

- Insurance companies and their customers can--and regularly do--already agree to measure the damage to a vehicle by its "book" value. Current Montana laws simply prevent insurance companies from forcing premium-paying consumers to agree to artificially low payments for covered accidents.

Thank you again for this opportunity to express MTLA's concerns about SB 9. If I can provide additional information or assistance to the Committee, please allow me to do so.

Respectfully,

Russell B. Hill
Executive Director

**SENATE STANDING COMMITTEE REPORT**


January 10, 1997

MR. PRESIDENT:
We, your committee on Business and Industry having had under consideration SB 9 (first reading copy -- white), respectfully report that SB 9 be amended as follows and as so amended do pass.

Signed: John R. Hertel
Senator John R. Hertel, Chair

That such amendments read:

1. Title, lines 5 and 6.
Strike: "REQUIRING" on line 5 through "FOR" on line 6
Insert: "ALLOWING"

2. Page 1, line 14.
Following: "unless"
Insert: ", after the damages arise,"
Following: "value."
Insert: ""Book" value must be determined by referring to the used car guides listed in 61-3-503(1)(c)."

3. Page 1, line 19.
Strike: "**"book" value or**"

4. Page 1, line 21.
Strike: "must provide"
Insert: "that provides"
Strike: "if"

5. Page 1, line 22.
Strike: "agreed to by the parties"
Strike: "or"
Insert: "rather than"

6. Page 1, lines 22 and 23.
Strike: "if" on line 22 through "value" on line 23
Insert: "is void as to that provision, and reimbursement must be made for actual replacement value except as provided in 27-1-306"

-END-

Amd. Coord.
Sec. of Senate

MONTANA SENATE
1997 LEGISLATURE
BUSINESS AND INDUSTRY COMMITTEE

ROLL CALL DATE 1-10-97

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| WILLIAM CRISMORE | ✓ | | |
| CASEY EMERSON | ✓ | | |
| BEA MC CARTHY | ✓ | | |
| DEBBIE SHEA | ✓ | | |
| STEVE BENEDICT, VICE CHAIRMAN | ✓ | | |
| JOHN HERTEL, CHAIRMAN | ✓ | | |
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DATE 1-10-97

SENATE COMMITTEE ON Bus. + Industry

BILLS BEING HEARD TODAY: SB 17 + SB 39

< ■ > PLEASE PRINT < ■ >

| Name | Representing | Bill No. | Check One: Support | Oppose |
|---|---|---|---|---|
| DICK PATTISON | MT SENIOR CITIZENS Assn | SB 17 | ✓ | |
| Verner Bertelsen | MSCA + Legacy Logislation | SB 17 | ✓ | |
| Bill Olson | AARP | SB 17 | ✓ | |
| Tom Hopgood | Health Ins. Assoc Am | SB 17 | | ✓ |
| Charles Rehbein | Mon's Adv Council on Aging | SB 17 | ✓ | |
| Greg Van Horssen | State Farm Ins. Co | SB 17 | | ✓ |
| For Jack Cote | St. Andrew | SB 39/17 | ✓ | |
| Jacqueline Lenmark | Am. Ins. Assn | SB 17 | | ✓ |
| Helene F. Thuss | AARP | SB 17 | ✓ | |
| Clyde Dailey | State Auditor | SB 17 | ✓ | |
| Tanya Ask | BCBSMT | SB 17 | | ✓ |
| Mason Good | MALU | SB 17 | | ✓ |
| LARRY AKEY | NAII | SB 17 SB 39 | | |
| ~~Greg Gaetner~~ | ~~Dept. of Commerce~~ | ~~SB 17~~ | | |
| LOAD STANAWAY | FARMERS INS. GROUP | SB 17 | | ✓ |

VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

REGISTER.F10

DATE 1-10-97

SENATE COMMITTEE ON Bus. + Industry

BILLS BEING HEARD TODAY: SB 17 + SB 39

< ■ > PLEASE PRINT < ■ >

| Name | Representing | Bill No. | Check One: Support | Oppose |
|---|---|---|---|---|
| Charlie Briggs | MT ASSN AGENCIES ON AGING | SB17 | X | |
| Bob Stephens | MT Grain Growers | SB 39 | ✓ | |
| Cory Laird | MT Catholic Conference | SB 17 | ✓ | |
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VISITOR REGISTER

PLEASE LEAVE PREPARED STATEMENT WITH COMMITTEE SECRETARY

REGISTER.F10

# MINUTES

## MONTANA HOUSE OF REPRESENTATIVES
## 55th LEGISLATURE - REGULAR SESSION

## COMMITTEE ON TRANSPORTATION

**Call to Order:** By CHAIRMAN SHIELL ANDERSON, on February 5, 1997, at 3:00 P.M., in Room 420

### ROLL CALL

**Members Present:**

Rep. Shiell W. Anderson, Chairman (R)
Rep. Rick Jore, Vice Chairman (Majority) (R)
Rep. Patrick G. Galvin, Vice Chairman (Minority) (D)
Rep. Joe Barnett (R)
Rep. Rod Bitney (R)
Rep. Sylvia Bookout-Reinicke (R)
Rep. Matt Brainard (R)
Rep. Bob Clark (R)
Rep. Charles R. Devaney (R)
Rep. David Ewer (D)
Rep. H.S. "Sonny" Hanson (R)
Rep. Marian W. Hanson (R)
Rep. Rod Marshall (R)
Rep. Gerald Pease (D)
Rep. William M. "Bill" Ryan (D)
Rep. Dorothy C. Simpson (D)
Rep. Jack Wells (R)
Rep. Bill Whitehead (D)

**Members Excused:** None

**Members Absent:** None

**Staff Present:** Leanne Kurtz, Legislative Services Division
Mary Lou Schmitz, Committee Secretary

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: SB 9 - 2-3-97
HB 362 - 2-3-97
HB 363 - 2-3-97

Executive Action: SB 9 - BE CONCURRED IN

### HEARING ON SB 9

"AN ACT TO ALLOW USE OF BOOK VALUE AS MEASURE OF DAMAGES FOR MOTOR VEHICLES"

Sponsor: Senator Ric Holden, SD 1

*{Tape: 1; Side: A; Approx. Time Count: 1.1 }*
**Opening Statement by Sponsor:** Senator Holden said the Bill allows insurance consumers in the state to settle losses with their insurance carriers based on book value if they choose to. It is not mandatory.

*{Tape: 1; Side: A; Approx. Time Count: 3.6 - 7.5; }*
**Proponents**: Ron Ashabraner, State Farm Insurance.

Russell Hill, Montana Trial Lawyers.

**Opponents**: None

*{Tape: 1; Side: A; Approx. Time Count: 8.0 - 21.1}*
**Questions From Committee Members and Responses**: Reps. Clark, Bitney, Simpson, Anderson, Ewer, Devaney, Bookout.

Responses by Senator Holden.

*{Tape: 1; Side: A; Approx. Time Count: 21.8}*
**Closing by Sponsor**: Senator Holden closed the Hearing on SB 9.

Vice Chairman Jore conducted the meeting at this point.

## HEARING ON HB 363

"AN ACT TO ALLOW THE MONTANA DEPARTMENT OF TRANSPORTATION AND LOCAL GOVERNMENTS TO EXCHANGE MAINTENANCE RESPONSIBILITIES."

**Sponsor**: Rep. Shiell Anderson, HD 25.

*{Tape: 1; Side: A; Approx. Time Count: 22.9; }*
**Opening Statement by Sponsor:** Rep. Anderson opened the Hearing on HB 363.

*{Tape: 1; Side: A; Approx. Time Count: 23.7; }*
**Proponents**: Tim Reardon, Chief Legal Counsel, Montana Department of Transportation.

*{Tape 1; Side: A ; Approx. Time Count: 26.8 ; }*
John Blacker, Administrator, Maintenance Division, Department of Transportation.

*{Tape: 1; Side: A; Approx. Time Count: 29.7; }*
**Opponents**: Carl Schweitzer, Montana Contractors' Association.

*{Tape: 1; Side: A; Approx. Time Count: 31.0; }*
**Questions From Committee Members and Responses**: Reps. Wells, Brainard, Barnett.

Responses by Carl Schweitzer; John Blacker; Tim Reardon; Rep. Anderson;

*{Tape: 1; Side: A; Approx. Time Count: 46.4;}*
**Closing by Sponsor**: Rep. Anderson closed the Hearing on HB 363.

## HEARING ON HB 362

"AN ACT ALLOWING THE DEPARTMENT OF TRANSPORTATION AND A LOCAL GOVENING BODY OR A TRIBAL GOVERNMENT TO EXCHANGE MAINTENANCE RESPONSIBILITIES ON ROADS AND PUBLIC HIGHWAYS WITHIN THEIR RESPECTIVE JURISDICTIONS;"

**Sponsor**: Rep. Shiell Anderson, HD 25.

*{Tape: 1; Side: A; Approx. Time Count: 48.2 }*
**Opening Statement by Sponsor:** Rep. Anderson opened the Hearing on HB 362.

*{Tape: 1; Side: A; Approx. Time Count: 49.4 - 60.0; }*
**Proponents**: Tim Reardon, Chief Legal Counsel, Department of Transportation.

John Blacker, Administrator, Maintenance Division, Department of Transportation.

Bob Worthington, Program Administrator, MMIA. (Insurance Organization).

*{Tape: 1; Side: A; Approx. Time Count: 60.1 - 62.3; }*
**Opponents**: Carl Schweitzer, Montana Construction Association.

*{Tape: 1; Side: A; Approx. Time Count: 63.0 - 88.5; }*
**Questions From Committee Members and Responses**: Reps. Whitehead, Barnett, Clark, Galvin, Jore,

Responses from Carl Schweitzer; Tim Reardon; John Blacker; Sarah Bond, Attorney General's Office;

*{Tape: 1; Side: A; Approx. Time Count: ; }*
**Closing by Sponsor**: Rep. Anderson closed the Hearing on HB 362.

## EXECUTIVE ACTION ON SB 9

*{Tape: 1; Side: A; Approx. Time Count: 90.1; }*
**Motion**: Rep. Sonny Hanson moved BE CONCURRED IN.

*{Tape: 1; Side: A; Approx. Time Count: 91.8 }*
**Motion:** Rep. Ewer moved a conceptual amendment on SB 9.

*{Tape: 1; Side: B; Approx. Time Count: .01 - 11.9; }*
**Discussion**: Reps. Bitney, Simpson, Hanson, Ewer, Wells, Devaney, Bookout, Galvin, Clark, Barnett.

Responses from Sarah Bond

Rep. Ewer withdrew his motion at this point.

**Motion**: Rep. Ewer moved to DO NOT CONCUR SB 9.

*{Tape: 1; Side: B; Approx. Time Count: 17.0; }*
**Discussion:** Reps. Barnett, Bookout, Bitney, Devaney, Ewer, Sonny Hanson, Galvin, Ryan, Brainard, Clark.

**Vote:** Motion failed 11 - 5.

**Motion/Vote:** Rep. Ewer moved a conceptual amendment requiring written disclosure by the insurance company that the customer has the choice of either receiving replacement value or book value. Motion failed 9 - 9.

*{Tape: 1; Side: B; Approx. Time Count: 27.5; }*
**Vote on Original Motion**: SB 9 BE CONCURRED IN carried 15 - 3.

# HOUSE STANDING COMMITTEE REPORT

February 6, 1997



Mr. Speaker: We, the committee on **Transportation** report that **Senate Bill 9** (third reading copy -- blue) **be concurred in**.

Signed: Shiell W. Anderson
*Shiell Anderson, Chair*

**Carried by: Rep. Devaney**

2-6-97

Committee Vote:
~~Yes 18, No 0.~~
15 3
Corrected MLS

280858SC.Hgd

# HOUSE OF REPRESENTATIVES

TRANSPORTATION COMMITTEE

ROLL CALL DATE 2-5-97

| NAME | PRESENT | ABSENT | EXCUSED |
|---|---|---|---|
| | | | |
| SHIELL ANDERSON, CHAIRMAN | ✓ | | |
| RICK JORE, VICE CHAIR MAJ. | ✓ | | |
| PAT GALVIN, VICE CHAIR MIN. | ✓ | | |
| JOE BARNETT | ✓ | | |
| ROD BITNEY | ✓ | | |
| SYLVIA BOOKOUT | ✓ | | |
| MATT BRAINARD | ✓ | | |
| BOB CLARK | ✓ | | |
| CHARLES DEVANEY | ✓ | | |
| DAVID EWER | ✓ | | |
| SONNY HANSON | ✓ | | |
| MARIAN HANSON | ✓ | | |
| ROD MARSHALL | ✓ | | |
| GERALD PEASE | ✓ | | |
| BILL RYAN | ✓ | | |
| DOROTHY SIMPSON | ✓ | | |
| JACK WELLS | ✓ | | |
| BILL WHITEHEAD | ✓ | | |
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# HOUSE OF REPRESENTATIVES

## ROLL CALL VOTE

TRANSPORTATION COMMITTEE

DATE 2-5-97 BILL NO. SB 9 NUMBER

MOTION: Rep. Ewer moved a conceptual amendment on SB 9 Withdrew motion

| NAME | AYE | NO |
|---|---|---|
| | | |
| SHIELL ANDERSON, CHAIRMAN | | |
| RICK JORE, VICE CHAIRMAN MAJ. | | |
| PAT GALVIN, VICE CHAIRMAN MIN. | | |
| JOE BARNETT | | |
| ROD BITNEY | | |
| SYLVIA BOOKOUT | | |
| MATT BRAINARD | | |
| BOB CLARK | | |
| CHARLES DEVANEY | | |
| DAVID EWER | | |
| SONNY HANSON | | |
| MARIAN HANSON | | |
| ROD MARSHALL | | |
| GERALD PEASE | | |
| BILL RYAN | | |
| DOROTHY SIMPSON | | |
| JACK WELLS | | |
| BILL WHITEHEAD | | |
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